GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:866
ANSWERED ON:25.07.2003
EXCISE DUTY EVASION BY JOHNSON AND JOHNSON
M.V.V.S MURTHI

Will the Minister of FINANCE be pleased to state:

(a) whether it has come to the notice of the Union Government that Johnson & Johnson Company Limited has cheated the Government and public of Rs.45.33 crore by evading central excise;

(b)if so, the details in this regard;

(c) whether the Government have ordered an inquiry in this regard;

(d)if so, the outcome thereof; and

(e) the action taken by the Government against the company to recover the amount?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

Part (a) (b) and (c) The Directorate General of Central Excise Intelligence, on the basis of information, investigated evasion of central excise duty by M/s Johnson and Johnson, Mumbai by undervaluing the drug bearing the brandname `Coldrain` and also getting it manufactured from a front company. The total amount of central excise duty evaded works out to Rs.1,11,09,937/-. After completion of the investigation show cause notice was issued.

Part (d) and (e) The front company namely M/s N.R. Jet Enterprises, Mumbai on behalf of M/s Johnson and Johnson, voluntarily paid the entire amount of central excise duty of Rs.1,11,09,937/- demanded in the said show cause notice.